

Message Text

LIMITED OFFICIAL USE

PAGE 01 PANAMA 04549 282234Z

21

ACTION ARA-10

INFO OCT-01 ISO-00 AGR-05 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 PM-03 NSC-05 SS-15 L-03 /071 W

----- 103811

R 282215Z JUL 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 4650

INFO AMEMBASSY BOGOTA

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

USSOUTHCOM

PAN CANAL

LIMITED OFFICIAL USE PANAMA 4549

EO 11652: N/A

ETRD, PN

SUBJ: BANANAS: GOP REPORTS ON LATEST TALKS WITH UB

REF: PANAMA 4389

1. ACCORDING TO LOCAL PRESS, GENERAL TORRIJOS, VICE PRESIDENT GONZALEZ, AND COMMERCE MINISTER MANFREDO MET JULY 27 WITH LEADERS OF BANANA WORKERS UNION AND PROVINCIAL OFFICIALS AT VOLCAN, CHIRIQUI, TO DISCUSS LATEST PHASE OF NEGOTIATIONS WITH UNITED BRANDS (UB). GONZALEZ REPORTEDLY STATED THAT UB HAD BEEN GIVEN GOP PROPOSAL FOR SALE OF LOCAL OPERATIONS, THAT UB NEGOTIATORS WOULD RETURN FROM US NEXT WEEK, AND THAT DEADLINE FOR AGREEMENT ON SALES CONTRACT IS SEPTEMBER 21. HE INDICATED THAT SOME AGREEMENT ON VALUE OF UB ASSETS HERE HAD BEEN REACHED, BUT GOP HAD NOTED DISCREPANCIES IN BOOKS OF LOCAL SUBSIDIARY, CHIRIQUI LAND COMPANY. HE STATED THAT UB WOULD CONTINUE TO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PANAMA 04549 282234Z

OPERATE LOCAL ENTERPRISE FOR INTERIM PERIOD UNDER A TEMPORARY

CONTRACT AND THAT FORMATION OF A MULTINATIONAL STATE MARKETING ENTERPRISE AMONG UPEB MEMBERS WAS BEING EXPLORED.

2. GENERAL TORRIJOS IS REPORTED TO HAVE EXPRESSED HIS CONFIDENCE THAT WITH THE COOPERATION OF WORKERS THE ENTERPRISE CAN BE OPERATED "WITH LESS COST AND MORE COMPASSION" AND ASSURED UNION LEADERS THAT THE GAINS THEY HAVE ACHIEVED WILL BE RESPECTED AND AMPLIFIED. HE PREDICTED THAT PRODUCTION THIS YEAR "WOULD FALL" TO 28 MILLION BOXES, BECAUSE UB "INSTEAD OF BUYING FERTILIZERS IS BUYING CONSCIENCES." IN RESPONSE TO FEARS EXPRESSED BY UNION LEADERS THT UB WAS ATTEMPTING TO SET WORKERS AGAINST THE GOVERNMENT THROUGH VARIOUS RUMORS, TORRIJOS ANNOUNCEDD THAT HIGH LEVEL COMMISSIONS WOULD BE APPOINTED SHORTLY IN BOCAS DEL TORO AND PUERTO ARMUELLES TO PLAN FOR IMPROVED LIVING CONDITIONS WITHIN THE BANANA REGIONS.

3. MINISTER MANFREDO TOLD THE GROUP THAT THE NEW CONTRACT NOT ONLY WOULD PUT UB MORE COMPLETELY UNDER GOP CONTROL BUT WOULD ALLOW THE GOVERNMENT TO MANAGE DIRECTLY A BANANA POLICY. OTHER PROVISIONS OF THE TEMPORARY OPERATING CONTRACT WOULD REQUIRE GOP APPROVAL OF SALES CONTRACTS OF OVER 3 MONTHS DURATION, CHARGES FOR UB USE OF RAILROAD AND DOCK FACILITIES, AND PAYMENT OF INCOME TAX BASED ON ACTUAL PRICES RECEIVED FOR FRUIT AT DESTINATION.

4. COMMENT: GENERAL OUTLINE OF PRESS REPORT ON CURRENT STATUS OF NEGOTIATIONS APPEARS TO MATCH RATHER CLOSELY VERSION GIVEN US BY UB REPS. WITH REGARD TO A MULTINATIONAL MARKETING ENTERPRISE, UB VICE PRESIDENT GELSTRHORPE HAD PROPOSED A GOP-UB PARTNERSHIP ARRANGEMENT FOR MRKETING OF PANAMANIAN BANANAS (REFTEL. MANFREDO SUBSEQUENTLY TOLD EMBOFF THAT HE HAD SUGGESTED TO GELSTHORPE THAT PROPOSAL BE EXPANDED TO INCLUDE MARKETING ARRANGEMENT FOR UB BANANAS FROM COSTA RICA AND HONDURAS AS WELL. CONCERNING GENERAL TORRIJOS' COMMENT ON 1975 PRODUCTION, EXPORTS DURING THE FIRST HALF OF THIS YEAR TOTALLED 13.6 MILLION BOXES, 11 PERCENT ABOVE THE SAME PERIOD LAST YEAR BUT 8.2 PERCENT BELOW THE COMPARABLE 1973 FIGURE.

JORDEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PRESS COMMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PANAMA04549
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750260-0751
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750716/aaaaaol.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 PANAMA 4389
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2003 by ShawDG>; APPROVED <17 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BANANAS: GOP REPORTS ON LATEST TALKS WITH UB
TAGS: EINV, PN, UNITED BRANDS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006